

Message Text

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71

ACTION EUR-12

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FM AMCONSUL DUSSELDORF

TO SECSTATE WASHDC 2802

INFO AMEMBASSY BERLIN

USMISSION USBERLIN

AMEMBASSY BONN

AMCONSUL BREMEN

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMEMBASSY MOSCOW

AMCONSUL MUNICH

AMCONSUL STUTTGART

UNCLAS DUSSELDORF 0120

E.O. 11652: N/A

TAGS: EEWT, PFOR, GW, UR

SUBJECT: SOVIET AMBASSADOR SPEAKS TO AMERICAN CHAMBER OF COMMERCE

1. BEGIN SUMMARY: ON FEB 3 IN DUSSELDORF SOVIET AMBASSADOR TO THE FEDERAL REPUBLIC OF GERMANY, VALENTIN FALIN, SPOKE TO THE NORTH RHINE-WESTPHALIAN CHAPTER OF THE AMERICAN CHAMBER OF COMMERCE IN GERMANY ON THE SUBJECT OF GERMAN-SOVIET TRADE. FALIN'S PRESENTATION WAS VERY CONCILIATORY AND SO LOW-KEY THAT IT WAS SOMETIMES DIFFICULT TO FIGURE OUT WHAT POINT HE WAS TRYING TO MAKE. HE STRESSED THE SOVIET NEED FOR ENORMOUS CAPITAL INVESTMENTS OVER THE NEXT 20 YEARS TO CARRY OUT GIGANTIC PROJECTS FOR IRRIGATION, TRANSPORTAION AND THE EXPLOITATION OF NATURAL RESOURCES. ADMITTING FAILINGS ON BOTH SIDES HE URGED INTENSIFIED EAST-WEST ECONOMIC, SCIENTIFIC

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AND TECHNICAL COOPERATION AS MUTUALLY BENEFICIAL. HE AVOIDED

ANY CONTROVERSIAL TOPICS AND FIELDLED THE ONE QUESTION FROM THE AUDIENCE WITH SUCH FINESSE THAT NO ONE WAS READY TO POSE ANOTHER BEFORE HE CLOSED THE MEETING. END SUMMARY.

2. FALIN SPOKE IN GERMAN WITHOUT A TEXT. HE PROJECTED A MODEST IMAGE BUT SPOKE UP FOR SOVIET CAPABILITIES, AS IN THE MANUFACTURE OF MACHINE TOOLS, AND FOUND EXCUSES FOR SOVIET DEFICIENCIES, AS IN AGRICULTURE.

3. SPEAKING OF THE DISASTROUS 1975 HARVEST FALIN NOTED NOT ONLY THE BAD WEATHER IN THAT YEAR BUT THE LONG-TERM WORSENING TREND WHICH HAS ALSO AFFECTED OTHER AREAS, E.G. SUB-SAHARA. THE CASPIAN SEA WATER LEVEL HAD DROPPED 3 METERS AND IS EXPECTED TO DROP A FURTHER 1.7 METERS IN THE NEXT 25 YEARS. TO OVERCOME THE WATER SHORTAGEIN THE VOLGA - CASPIAN BASIN HE INDICATED THAT PLANS WERE UNDERWAY TO DIVERT THE WATERS OF THE PECHORA RIVER SOUTH TO THE VOLGA. THIS WOULD REQUIRE 250 NUCLEAR BLASTS FOR EARTH MOVING.

4. ACCORDING TO FALIN ONLY 5 PERCENT OF THE MACHINE TOOLS PUT INTO USE IN THE USSR IN 1975 WERE IMPORTED AS COMPARED TO 14 PERCENT IN THE USA AND 11 PERCENT IN THE FRG. HE ALSO CLAIMED THAT SOME PLANTS BUILT IN THE USSR BY WESTERN FIRMS WERE MORE PRODUCTIVE THAN THEIR COUNTERPARTS IN THE WEST. HE NOTED, HOWEVER, THAT THE SOVIET UNION RECOGNIZED THE BENEFITS OF INTERNATIONAL DIVISION OF LABOR, WHILE EVEN THE NATO COUNTRIES SEEM TO BE UNABLE TO AGREE ON COMMON STANDARDS AND CALIBERS.

5. THE FIERCE ARGUMENTS IN THE FRG A FEW YEARS AGO OVER THE WISDOM OF PURCHASINGNATURAL GAS FROM THE USSR ARE NEARLY FORGOTTEN. FAINNMOOBB. A S SIFRYMNE (#) NOW RECOGNIZES THE FRG'S NEED FOR THIS FUEL. BUT OTHER COMMITMENTS NOW MAKE IT IMPOSSIBLE FOR THE USSR TO EXPAND DELIVERY TO THE FRG BEYOND THE 7 BILLION CUBIC METERS UNDER CONTRACT FOR THE NEXT 20 YEARS.

6. FALIN DEPLORED THE FACT THAT EAST AND WEST ARE TALKING PAST EACH OTHER AND THAT INSTEAD OF LEARNING MORE ABOUT ONE ANOTHER THEY MAINTAIN OLD PREJUDICES. QTE ALL THE WISDOM UNCLASSIFIED

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OF THE WORLD IS NOT ON ONE SIDE UNQTE. MORE COOPERATION AND LESS CONFRONTATION WOULD BE MUTUALLY BENEFICIAL. IN A CLEAR PLEA FOR CONTINUED DETENTE HE URGED THAT WE CONTINUE TO SEEK AREAS OF COOPERATION WHEREVER OUR INTERESTS COINCIDE.

7. A QUESTIONER FROM THE AUDIENCE ASKED HOW FALIN COULD RECONCILE HIS STATEMENTS ABOUT THE HIGH LEVEL OF PRODUCTIVITY IN THE USSR WITH DATA ON THE PER CAPITA GNP IN THE USA, EC

AND THE USSR AND, WITH REGARD TO CONFIDENCE, INVITED COMMENTS ON THE CATCH-WORDS: BERLIN (BLOCKADE AND WALL), CUBA, CZECHOSLOVAKIA AND ANGOLA. FALIN REPLIED COOLLY THAT THE SOVIET UNION STARTED FROM A MUCH LOWER BASE AFTER THE REVOLUTION AND SUFFERED SEVERE LOSSES IN WORLD WAR II. HE SAID THAT HE COULD OF COURSE COME UP WITH HIS OWN LIST OF CATCH-WORDS BUT FELT THAT IT WOULD BE OUT OF PLACE IN THAT ASSEMBLY. SENSING THAT HE WAS AHEAD IN THE GAME, FALIN TOOK ADVANTAGE OF THE STILLNESS IN THE HALL TO SAY "THANK YOU" AND SIT DOWN.

8. IN A COVERSATION DURING THE LUNCHEON PRECEDING HIS SPEECH I ASKED FALIN WHAT HE THOUGHT WOULD BE THE OUTCOME IF NO FOREIGN POWER INTERFERED IN ANY WAY IN ANGOLA. HE FIRST TRIED TO EVADE A DIRECT REPLY, SAYING THAT IT HAD BECOME CLEAR A LONG TIME AGO THAT THE THREE FACTIONS COULD NOT WORK TOGETHER AND THAT ZAIRE WOULD HAVE HAD TO INTERVENE TO PROTECT ITS TRANSPORT ROUTE TO THE SEA. WHEN ASKED, HOWEVER, WHY THIS SHOULD LEAD TO SOVIET AND CUBAN INVOLVEMENT (AND ASSUMING THAT ALL OTHER COUNTRIES STAYED OUT) HE SAID THAT THE USSR HAD PLEDGED SUPPORT TO THE MPLA IN ITS STRUGGLE FOR LIBERATION AND TO ABANDON IT WHILE IT WAS STILL UNDER ATTACK WOULD HAVE UNDERMINED SOVIET CREDIBILITY. HE ADDED THAT THE USSR WAS NOT SEEKING BASES IN ANGOLA, NOR WAS IT INTERESTED IN OBTAINING CONTROL OF ANGOLA'S NATURAL RESOURCES AND RAW MATERIALS.

9. COMMENT: THE ARRANGEMENTS FOR FALIN'S SPEECH TO THE AMERICAN CHAMBER WERE INITIATED LAST AUGUST BY THE CHAMBER'S HOSPITALITY COMMITTEE CHAIRMAN (GERMAN NATIONAL). ON PREVIOUS OCCASIONS OTHER AMBASSADORS HAVE ADDRESSED THE DUSSELDORF CHAPTER AND IT WAS THOUGHT THAT FALIN WOULD BE A GOOD DRAWING CARD FOR THE LUNCHEON. (HE WAS; ATTENDANCE UNCLASSIFIED

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WAS NEARLY 200 - AN UNPRECEDENTED NUMBER.) WHEN FIRST APPROACHED, FALIN AGREED IN PRINCIPLE, BUT WOULD NOT COMMIT HIMSELF TO A DATE. LATE IN DECEMBER THE SOVIET EMBASSY INFORMED THE CHAMBER THAT FALIN WAS PREPARED TO SET A FIRM DATE FOR THE SPEECH.DUX

NOTE BY OC/T: (#) AS RECEIVED.

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